

FINNACLE

Financial Health Report



Prepared for

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Components of Financial Wellbeing

What is Financial Wellbeing?

It is money balance. It means having a steady income to cover expenses, treat and contribute to wealth. It's having enough savings and investments to maintain your lifestyle without constant worry. It's striking the balance between income, consumption and wealth creation, so you can ride the financial seesaw with ease and confidence.

Understanding Financial Wellbeing

The key financial well-being factors that affect a family's standard of living are income, consumption and wealth.



Income

The amount of money you earn from your job, investments or other sources. Income is the primary contributor to financial well-being as it determines how much money you have available to meet your needs and wants.



Consumption

The way you spend your money. It is the money outflow and covers all your expenses, wants, and treats. Managing consumption effectively can help you stretch your income further, prevent overspending, and allow for money to be invested to create a passive income over time.



Wealth

The total value of assets you own, including cash, investments, property, and other items. Wealth is essential for financial well-being as it provides future security through passive income streams, replacing employment income and achieving financial independence.

Understanding Quintiles

Income, consumption and wealth intertwine in the pursuit of financial wellbeing. They're like stool legs, each vital for stability. Income propels your financial journey, covering daily expenses (consumption) and enabling savings for the future (wealth). This generates income over time, lightening the load on needing to work. Together, they create a foundation of financial wellbeing, ensuring stability and harmony.

Setting the Expectation Straight!

Get ready for an exciting report! Here's what you can expect:



In this report, we're going to take you on a fun and enlightening journey that will reveal the state of your financial health. It measures your financial well-being using various metrics that contribute to the overall picture. This report will help you understand how your income, consumption and wealth interact with each other. By the end, you'll have a good understanding of your financial fitness and how we can assist you in taking the necessary steps to improve it. Remember, the journey towards achieving financial well-being should be as enjoyable and fulfilling as the destination itself!

Should you trust this report? Let's dive into its credibility.

- ✓ We are Finnacle, a multi-award-winning financial planning firm dedicated to making a difference in everyday families like yours.
- ✓ With over a decade of experience as financial advisers, we've seen it all and understand the common financial challenges you may face. We have the expertise and a proven record of assisting families in redesigning their finances and improving their financial well-being. The insights in this report come from our professional experience and statistical data.
- ✓ This advice has been prepared without taking account of your objectives, financial situation or needs. Because of that you should, before acting on the advice, consider the appropriateness of the advice, having regard to your personal circumstances.

A final note before you begin

Remember, this report serves as a starting point for improving your financial well-being. Take the time to reflect on the results and use them as a guide to make positive changes in your financial habits. Remember, small changes can have a big impact on achieving long-term financial success. You've got this! 🍊
Keep going on your journey towards financial well-being - it's worth every effort!
🎉 And don't forget to celebrate your progress along the way! 🎉

Let's get started!

Welcome to the world of personal finance! This is where you learn about all things money like it's a science. Using the information you shared with us earlier, we will now assess your household position on the scale in relation to various financial aspects.

Total Income



Your Total Income is **\$4,258 per week**

Congrats on your success! You've reached the top and are now in the highest income bracket. Remember, it's not just about what you earn, but how you generate passive income. Seek tax-efficient opportunities to grow your wealth. Well done!

Employment Income vs Passive Income

Employment income is earned from actively working in a job / your business, while passive income is earned without working actively - e.g., rental income, dividends, interest. Financial independence is achieved by transitioning from work-based to non-work-based income.

Now, let's review your Total Income breakdown.

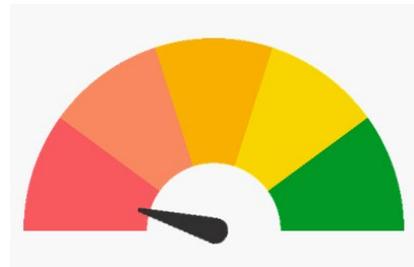
Employment Income



Your Employment Income is
\$3,754 per week

Wow, you've really made it big! You're at the top of the scale in terms of employment income. But remember, true financial freedom lies in generating passive income. Use this fantastic position you're in to build wealth that keeps growing, even when you're not actively working. Keep going, champ!

Passive Income



Your Passive Income is
\$504 per week

Stay motivated! You're on the path to generating passive income - a great start! Remember, every journey begins somewhere. Now, start exploring opportunities to boost your revenue. Consider investing in funds or renting out that spare room. The world is full of possibilities just waiting for you!

Understanding Quintiles

Let's clarify 'quintiles' - they represent 1/5th of a data set. Imagine dividing students into 5 equal parts based on marks. Each quintile contains 20% of students. Similarly, households are divided into quintiles based on income or wealth. It helps us understand your financial position and plan your next move!

Household Consumption

Welcome to the wild world of household consumption! We're diving deep into the riveting realms of living expenses and debt, two pivotal players in the exciting saga of our financial wellness.

Savings Rate

Savings Rate, our financial superhero, It's the proportion of take-home income we save instead of spending. It's our safety net, a cushion for rainy days, or our dream adventure. A bigger savings rate means a bigger smile on our financial health!

Did you know in June 2023 Australia's Household Saving ratio declined to 3.2% its lowest since 2008?



Your Savings Rate is

16.64%

In the upper-middle quintile, congratulations! You have a solid savings rate that can handle emergencies and provide for future aspirations. Keep an eye on market trends but don't shy away from treating yourself occasionally.

Debt to Income

Debt to Income, aka the ' Loan stress Ratio', shows how much of your income is eaten up by debt repayments. A lower ratio means a better balance between income and debt - aim for zero! Keep your financial life stress-free. Let's play smart!

Did you know a household is said to be in mortgage stress if they spend more than 30% of their income on debt repayments?



Your Debt to Income ratio is

36.00%

In the lower-middle quintile, stay vigilant and prioritize paying off debts. Consider consolidating loans to manage repayments more efficiently. Remember, a little extra effort now can save you from unnecessary stress in the future.

Wrap-up: Consumption

So, there you have it! Our exciting journey through household consumption, savings rate and debt. Remember, your spending habits, savings and debts reflect your financial health. It's not about having the most, but making the most of what you've got. Don't be disheartened by debt! It's never too late to change the narrative. Seek help from our financial advisors to navigate this maze. Make debt work for you, not against you. Stay positive and remember, your financial story is in your hands. The best is yet to come!

Wealth

True wealth isn't just hoarding cash. It's a mixed bag of goodies - savings, investments, stocks, Investment property and that dream house. Let wealth work for you, like a golden goose laying passive income eggs. Start early, let compounding work, pay off debt and invest. Your future self will thank you! So let's see how you are tracking on the wealth front, shall we?

Total Net Worth

Your net worth is the snapshot of your financial health. It's the value of everything you own minus everything you owe. Growing it is key to financial independence, like planting seeds for a fruitful tree that generates passive income. The bigger the tree, the more fruits it can produce. Start planting!



Your Total Net Worth is

\$544,196

Congratulations! You are in a good place financially. Stay vigilant, track net worth and continue to make wise financial decisions. Explore ways to further grow wealth through investments or other sources of income. Your future self will thank you for it.

Here are some important parts of your net worth:

Your Home

Owning a home is a milestone, but it's important to know that it doesn't generate income. Once the mortgage is paid, expenses are reduced. To build passive income, focus on a portfolio of income-generating assets. Let's assess your home's value and your current standing in this context.



The value of your Home is

\$800,000

Your home is a valuable asset, but remember to diversify investments, make smart financial decisions and grow your net worth for ultimate freedom. Stay disciplined with saving, investing and balancing debt. Keep building wealth!

Savings (Cash Reserves)

Life is unpredictable, so having a safety net for unexpected expenses is vital. Cash reserves provide peace of mind and protection, but balance is key. Too much is unproductive, too little is risky. Assess your financial security now.



You have Savings (Cash Reserves) of

\$45,000

You're saving well, but keep going! Continue building your cash reserves while also diversifying your investments for long-term growth. Don't get lured into splurging on unnecessary luxuries - remember, true wealth is built over time.

Investments Assets

They're assets you buy with an expectation to increase in value, helping your net worth grow. The cherry on top? Some even throw in income along the way. Talk about a win-win! let's see where you stand in this context.

Shares / Managed Funds

Investing in the stock market can be intimidating, but it's an essential step toward building wealth and achieving financial independence. Consider investing in a diversified portfolio of stocks or managed funds for long-term growth and liquidity.



You have Shares / Managed Funds worth

\$5,000

Your investments are looking good, but don't get too comfortable. Keep an eye on market trends and continue diversifying your portfolio to reduce risk and increase potential returns. Remember, patience is key when it comes to long-term investing.

Investment Property

Investing in a property can offer a valuable avenue for asset diversification and income generation through rentals. However, it is crucial to diligently evaluate factors such as debt, expenses, risks and potential returns before committing to any investment. Long-term affordability is key to maintaining the compounding effect.



You have Investment Property worth

\$550,000

You're a property mogul with thriving investments and a solid portfolio! Stay on top of market trends to continue growing your net worth and achieving financial independence. Remember to keep the debt under control and enjoy the journey along the way!

Retirement Fund (Super)

Your superannuation, or retirement fund, is vital for your financial well-being. Start contributing early to benefit from compounding growth. Employer contributions and tax benefits boost savings. This is crucial for later financial independence, paying off mortgages, and supporting income till your life expectancy without relying on uncertain government pensions.



Your Retirement Fund (Super) is worth

\$97,477

Your retirement fund is growing, but there's always room for improvement. Consider seeking professional advice on how to make the most of your superannuation and achieve long-term financial security.

Wrap-up: Wealth

To live your dreams and achieve financial independence, build and improve your income-producing assets. Be mindful of leverage and maintain liquidity. Seek professional advice for this invaluable balance. Expert guidance is crucial in attaining the ultimate prize. Cheers to financial independence!



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